

TOWN OF FLETCHER

PRESTON BLAKELY
MAYOR

MARK E. BIBERDORF
TOWN MANAGER



COUNCIL MEMBERS:
JIM PLAYER
TREVOR C. LANCE
KEITH REED
AMBER MCKINNEY

Town Council Agenda Review March 2, 2026 at 6:00 PM

Call the meeting to order at: 6:00 PM

Moment of Silence:

Pledge of Allegiance:

Public Comments:

"We will strive to uphold each citizen's First Amendment right to free speech. We will ensure a level of civility and decorum. We ask that all speakers be respectful and adhere to the three-minute time limit. Council is not expected to debate/discuss issues during public comment."

Approval of minutes - corrections, additions or deletions

- 1) Regular Meeting February 9, 2026
- 2) Special Call Meeting February 16, 2026

Council Updates

Consent Agenda

- 3) Tax refunds/releases
- 4) Approval of Spring Litter Sweep Proclamation P-26-01 for annual litter sweep which runs from April 11, 2026 through April 25, 2026.
- 5) Approval of Budget Amendment #3 to FY 25/26 Budget Ordinance for fire departments prior year adjustment.
- 6) Approval of Budget Amendment #4 to the FY 25/26 Budget Ordinance for storm water expenses.
- 7) Approval of audit contract for FY 25/26.

Discussion Items

- 8) Overview of the Hurricane Helene project fund — Heather Taylor, Assistant Town Manager.
- 9) Discussion and update on potential annexation of property for an additional ABC Store.
- 10) Recommendations for Surplus Unassigned Fund Balance - Mark Biberdorf, Town Manager
- 11) Discussion — Regulatory Considerations for Data Centers within the Town's Zoning Jurisdiction — Tyler Morrow, Planning and Zoning Director
- 12) Town Center update on meeting with Lewis Real Estate Group - Mark Biberdorf, Town Manager

Town Manager Report

Department Reports

- 13) February Reports
- 14) **Closed Session per NCGS 143-318.11 (4) Industrial Matters.**

Adjourn

Upcoming Events

Regular Meeting March 9, 2026 at 6:00 pm
Budget Retreat Meeting March 24, 2026 at 8:30 am
Easter Egg Hunt March 28, 2026
Shred/Pill Drop event Saturday, April 25, from 9:00 am to noon.
Agenda Review Meeting April 6, 2026 at 6:00 pm
Regular Meeting April 13, 2026, at 6:00 pm
LGCCA April 21, 2026 at 3:00 pm "Flat Rock" hosting

"This Institution is an equal opportunity provider."

Town of Fletcher
Town Council Regular Meeting
Minutes
February 9, 2026

Call the meeting to order at: 6:00 PM

NOTE: This meeting was held in the Multipurpose room due to the council room being unavailable. Therefore, there is no video or voice recording available of these minutes.

Those who were in attendance are as follows:

Mayor Preston Blakely
Councilmember Jim Player
Councilmember Keith Reed
Councilmember Amber McKinney
Town Manager Mark Biberdorf
Planning & Zoning Director Tyler Morrow
Tax Collector Susan Heafner

Mayor Pro-Tem Trevor Lance did not attend this meeting.

Moment of Silence:

Mayor Blakely led the group in a moment of silence.

Pledge of Allegiance:

Mayor Blakely led the group in the pledge of allegiance.

Public Comments:

No comments were made at this time.

Approval of minutes - corrections, additions or deletions

Agenda Review Meeting January 5, 2026

Regular Meeting January 12, 2026

Mayor Blakely asked if there were any corrections, additions or deletions to the minutes, and if not, do I have a motion to approve the minutes as presented?

Councilmember Jim Player motioned to approve the minutes and it was seconded by Councilmember Keith Reed.

Motion all in favor.

Council Updates

Mayor Blakely commented on the Father Daughter dance and how great it was. Parks & Recreation did a wonderful job. He also stated that he wanted to thank public works and the police department for all the work they did during the ice and snow storms.

Consent Agenda

Tax Refunds/Releases

Approval of Budget Amendment # 2 to the FY 25/26 Budget Ordinance.

Notice to terminate expiring contract with Mills River Fire & Rescue - Mark Biberdorf, Town Manager

Approval of an award in the amount of \$250,846.10 to C & T Paving, LLC for a street resurfacing project.

Mayor Blakely asked if there were any questions on the consent agenda and, if not, do I have a motion to approve the consent agenda?

Councilmember Keith Reed motioned to approve the consent agenda, and it was seconded by Councilmember Amber McKinney.

Motion all in favor.

Discussion Items

Presentation of mid-year tax collector's report and permission to advertise delinquent taxes per NCGS 105-369 - Susan Heafner, Tax Collector.

Tax Collector Susan Heafner went over the mid-year tax collector's report and answered questions that the council had for her.

Discussion Followed:

Mayor Blakely asked for a motion to approve the mid-year tax collectors report and to give the tax collector permission to advertise 2025 unpaid tax liens in the Hendersonville Lightening on March 18, 2026.

Councilmember Jim Player made that motion, and it was seconded by Councilmember Amber Mckinney.

Motion all in favor.

Town Code Text Amendment – Entry Gates (25-04-CTA) – Tyler Morrow, Planning & Zoning Director

Planning & Zoning Director Tyler Morrow went over the recommended changes to the ordinance for entry into gated communities by first responders and answered questions that council had for him.

Discussion Followed

Mayor Blakely asked for a motion to open the public hearing.

Councilmember Jim Player motioned to open the public hearing and it was seconded by Councilmember Keith Reed.

Motion all in favor.

Mayor Blakely asked for comments from the public at this time.

There were no comments at this time.

Mayor Blakely asked for a motion to close the public hearing.

Councilmember Keith Reed motioned to close the public hearing, and it was seconded by Councilmember Jim Player.

Motion all in favor.

Mayor Blakely asked council what their thoughts on this. Do we have a motion to approve or deny the changes to the entry gate ordinance?

Councilmember Jim Player motioned to **adopt** an ordinance amending the official Town of Fletcher Town Code, creating Chapter 96 “Entry Gates” based on the following:

1. The petition is found to be consistent with the Land Use Plan based on the information from the staff analysis and the public hearing, and because:

The petition aims to “develop a safe and efficient means of transportation that will provide ease of movement throughout the town.”

2. We find this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because:

1. The proposed text amendment establishes clear, consistent standards for all gated developments, providing predictable expectations for both emergency services and developers.
2. The proposed text amendment enhances safety assurances for individuals who live in or work within gated developments.

And the motion was seconded by Councilmember Keith Reed.

Motion all in favor.

Discussion on possible voluntary annexation of parcel # 10011304 into the Town of Fletcher to be leased for an additional ABC store within the city limits.

ABC Board Member Brandon Olsen gave a presentation on the annexation of the proposed property for their 2nd ABC store. This is an outparcel located in the new Ingles shopping center on Hwy 25.

Discussion Followed:

Council would like to continue discussion on this next month, when Mayor Pro-Tem Trevor Lance will be at the meeting to get his thoughts and ideas on this.

Recommendations for surplus unassigned fund balance - Mark Biberdorf, Town Manager

Town Manager Mark Biberdorf went over some options as to what to do with the excess funds in the unassigned fund balance.

Possible options are as follows:

- 1) Sewer project on Westfield Road, North Hudson Lane & Dogwood Terrace.
- 2) Greenway Extension
- 3) Pay down principal on existing debt.

Discussion Followed:

After some discussion council may be interested in using the funds for the sewer project but agrees some updated cost estimates are needed.

Potential voluntary annexation of subdivision planned for Burney Mountain Road - Mark Biberdorf, Town Manager

Town Manager Mark Biberdorf gave an overview of a new subdivision coming to Burney Mountain Road in the near future and the possibility of annexation into the town limits. Part of the property (subdivision) is within the town limits and the other part is in the ETJ. So the town would already be providing services to the part that is actually within the town limits.

Discussion Followed:

Town Manager Report

There is a developer that is looking at 3 parcels on Underwood Road to build affordable housing. It would be 4 buildings with 115 units. They are looking at loans that will give them some tax credits as well. This property is currently zoned C2 and would have to be rezoned as special use if they decide to move forward with this.

I know I told you that we put out RFP's for operating the concession stand this year, and we received 3 proposals. The committee is supposed to meet tomorrow to review the bids and make a decision. We will probably need to have a special call meeting to approve a resolution for the lease and authorize a contract as the plan is for them to start in March. Please look at your calendars and see when you may be available for a brief meeting.

Tyler and I will be meeting with the former developer (Lewis Real Estate) on our Town Center project who has a new investor that is interested in our property on 25.

Department Reports

January Reports

Adjourn

Mayor Blakely asked for a motion to adjourn

Councilmember Jim Player motioned to adjourn and it was seconded by Councilmember Amber McKinney

Motion all in favor.

Adjourned at: 7:05 pm

Upcoming Events

Agenda Review Meeting March 2, 2026 at 6:00 pm (Multipurpose Room)

Regular Meeting March 9, 2026 at 6:00 pm

Budget Retreat Meeting March 24, 2026 at 8:30 am

Easter Egg Hunt March 28th, 2026

Shred/Pill Drop event Saturday, April 25, 2026 from 9:00 am to Noon.

Approved.

Date

Signed

Town of Fletcher
Town Council Special Call Meeting
Minutes
February 16, 2026

Call the meeting to order at: 4:30 PM

NOTE: This meeting was held in the Community room due to the council room being unavailable. Therefore, there is no video or voice recording available of these minutes.

Those who were in attendance are as follows:

Mayor Preston Blakely
Councilmember Keith Reed
Councilmember Jim Player
Parks & Recreation Director Josh Queen
Town Manager Mark Biberdorf

**Mayor Pro-Tem Trevor Lance did not attend this meeting.
Councilmember Amber McKinney did not attend this meeting.**

Discussion Items

Review and approval of Resolution R-26-02 for a concession stand lease in Bill Moore Community Park for the upcoming 2026 season.

Parks & Recreation Director Josh Queen went over the RFP proposals that were received for the concession stand and stated that the proposal from Black Bear pizza was selected by the committee.

Discussion Followed:

Mayor Blakely asked for a motion to approve Resolution R-26-02 to lease the concession stand at Bill Moore Community Park to Black Bear Pizza.

Councilmember Jim Player motioned to approve Resolution R-26-02, and it was seconded by Councilmember Keith Reed.

Motion all in favor.

Adjourn

Mayor Blakely asked for a motion to adjourn.

Councilmember Keith Reed motioned to adjourn, and it was seconded by Councilmember Jim Player.

Motion all in favor.

Adjourned at: 4:34 pm

Approved.

Date

Signed



TOWN OF
FLETCHER
Tax Collectors Office

2025 TAX YEAR PENDING RELEASES & REFUNDS

March 2026

Report Month	Year Adj	Rel #	Refnd #	Taxpayer	Reason for Release/Refund	Released Tax Amt	Adj Real Value	Adj Pers Value	REID or Abst #	HC BOC Approval
Mar-26	2025	22	-	ARCHER WRIGHT JV	CORRECTING 2025 TAX LISTING FORM TO ACTUAL 1/1/25	\$ 13,755.09		(4,465,939)	3107685	2/18/2026
TOTAL MARCH RELEASES/REFUNDS						\$ 13,755.09				

P-26-01
Town of Fletcher
Proclamation in Support of 2026 Spring Litter Sweep

WHEREAS, the North Carolina Department of Transportation annually organizes a spring litter cleanup to ensure that the great natural beauty of our state and our clean environment are a source of great pride for all North Carolinians; and

WHEREAS, the annual cleanup raises awareness of the need for cleaner roads among our citizens and children, attracts tourists and aids in the recruiting of new industry into our State; and

WHEREAS, the Spring Litter Sweep roadside cleanup will take place from April 11 - April 25, 2026, and the Town of Fletcher encourages civic and professional groups, churches, schools, families, business and individual citizens to participate by organizing cleanups in their neighborhoods; and

WHEREAS, the cleanup will increase awareness of the need for cleaner roadsides, emphasize the importance of not littering and encourage recycling of solid waste; and

NOW THEREFORE, BE IT RESOLVED, the Mayor and Town Council of the Town of Fletcher, North Carolina hereby proclaim a “Spring Litter Sweep” from April 11 - April 25, 2026, in the Town of Fletcher and encourage all citizens to participate in making our roadsides clean and beautiful.

Adopted this the 9th day of March 2026

Mayor Preston Blakely

ATTEST

Christine Thompson, MMC, NCCMC
Town Clerk

BUDGET AMENDMENT 3
Original Ordinance # 0-25-04
Amended on March 9, 2026
Ordinance # 0-26-04
REQUEST FOR BOARD ACTION
TOWN OF FLETCHER

MEETING DATE: March 9, 2026

SUBJECT: Budget Amendment 3

ATTACHMENTS: YES

SUMMARY OF REQUEST:

The Town reviews our prior year's payments to Fletcher Fire & Rescue and Mills River Fire & Rescue to see if we met our contract obligations to them. Lowdermilk Church & Co. provided this Agreed Upon Procedure to verify our payments, and any under or overpayments to each fire department.

For the 2025 tax year both Fletcher Fire & Rescue and Mills River Fire & Rescue were underpaid due to more taxes levied than budgeted. Based off the AUP, the Town owes \$55,187 to Fletcher Fire and \$10,673 to Mills River.

The attached budget amendment will adjust the Fletcher Fire Prior Year Adjustment and Mills River Prior Year Adjustment line items to account for the underpayment, and using Fund Balance Appropriated to balance the remaining portion. The Town budgeted funds within the Fletcher Fire Prior Year Adjustment line item, based off prior history so only an adjustment of \$31,187 is needed (\$55,187-\$24,000 already budgeted).

TOWN MANAGER'S RECOMMENDATION:

It would be appropriate for the Board to approve the attached budget amendment to increase the Fletcher and Mills River Fire & Rescue Prior Year Adjustment line items, as well as use Fund Balance Appropriated to balance.

BUDGET AMENDMENT # 3
FY 25/26 BUDGET ORDINANCE
Effective March 9, 2026

	Account #	Debit		Credit
General Fund				
Revenues				
Fund Balance Appropriated	10-3990-0000			42,490.00
Expenditures				
Fletcher Fire Prior Year Adjustment	10-5300-4501	31,817.00		
Mills River Prior Year Adjustment	10-5300-4502	10,673.00		

Approved this the 9th day of March 2026

 Mayor Preston Blakely

ATTEST:

 Christine Thompson MMC, NCCMC
 Town Clerk

BUDGET AMENDMENT 4
Original Ordinance # 0-25-04
Amended on March 9, 2026
Ordinance # 0-26-05
REQUEST FOR BOARD ACTION
TOWN OF FLETCHER

MEETING DATE: March 9, 2026

SUBJECT: Budget Amendment 4

ATTACHMENTS: YES

SUMMARY OF REQUEST:

The Planning Department is requesting a budget amendment to address non-recurring expenses associated with the maintenance and regulatory compliance of the Town’s Stormwater Program.

In October of FY 2025–2026, the Town underwent its required two-day Stormwater Audit. This audit required on-site participation and technical support from McGill Associates for the duration of the review. The cost associated with hosting and supporting the audit exceeded initial projections and was not fully accounted for in the adopted FY 2025–2026 Stormwater operating budget.

The Stormwater Program’s budget for FY 2025–2026 maintained its standard annual operating allocation of \$30,000. However, this allocation did not anticipate the increased costs associated with the audit year. As a result, the annual budget was expended by December 2025, creating a funding shortfall for the period of January through June 2026.

Staff is therefore requesting a \$6,000 budget amendment to cover anticipated stormwater-related expenses for the remainder of the fiscal year. The primary driver of this request is the State requirement to submit the Town’s updated Stormwater Management Plan (SWMP) and MS4 permit application by June. While staff has worked to phase the majority of the SWMP renewal costs into the FY 2026–2027 budget, certain preparatory work and required documents must occur within the current fiscal year. These necessary tasks were not included in the original FY 2025–2026 budget and cannot be completed without additional funds.

This attached amendment will ensure continued compliance with State stormwater regulations and allow the Town to meet all required deadlines without interruption to the program.

TOWN MANAGER’S RECOMMENDATION:

It would be appropriate for the Board to approve the attached budget amendment to increase the Stormwater Expense line item, as well as use Fund Balance Appropriated to balance.

BUDGET AMENDMENT # 4
FY 25/26 BUDGET ORDINANCE
Effective March 9, 2026

	Account #	Debit	Credit
General Fund			
Revenues			
Fund Balance Appropriated	10-3990-0000		6,000.00
Expenditures			
Stormwater Expense	10-4800-3305	6,000.00	

Approved this the 9th day of March 2026

 Mayor Preston Blakely

ATTEST:

 Christine Thompson MMC, NCCMC
 Town Clerk

Memorandum

To: Mayor & Town Council
CC: Mark Biberdorf, Town Manager
From: Heather N. Taylor, Assistant Town Manager
Date: 02/23/2026
Re: Agenda Item for Consent: Audit Contract with Lowdermilk Church & Co. FY 25/26

Attached is the audit contract and engagement letter with Lowdermilk Church & Co. for our audit of FY 25/26.

Town Council is required to yearly approve the audit contract, and the amount for the FY 25/26 audit is \$19,100 per the terms of this contract. This audit contract will also include any single audit requirements to cover any grants the Town receives (FEMA, Greenway, etc.).

I request that you approve this audit contract with Lowdermilk Church and Co. for the FY 25/26 audit.

The of and	Governing Board Town Council
	Primary Government Unit Town of Fletcher, North Carolina
	Discretely Presented Component Unit (DPCU) (if applicable) n/a

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Lowdermilk Church & Co., L.L.P.
	Auditor Address 121 N. Sterling Street, Morganton, NC 28655

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.
30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).
31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.
32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.
33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.
34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Heather Taylor	Finance Officer/Assist Town Mgr	htaylor@fletchernc.org

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

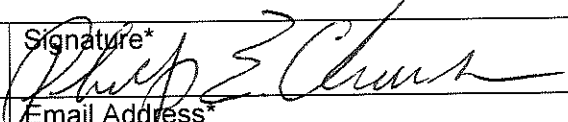
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Town of Fletcher, North Carolina	
Audit Fee (financial and compliance if applicable)	\$	19,100
Fee per Major Program (if not included above)	\$	
Additional Fees Not Included Above (if applicable):		
Financial Statement Preparation (incl. notes and RSI)	\$	0
All Other Non-Attest Services	\$	
TOTAL AMOUNT NOT TO EXCEED	\$	19,100

Discretely Presented Component Unit	n/a	
Audit Fee (financial and compliance if applicable)	\$	
Fee per Major Program (if not included above)	\$	
Additional Fees Not Included Above (if applicable):		
Financial Statement Preparation (incl. notes and RSI)	\$	
All Other Non-Attest Services	\$	
TOTAL AMOUNT NOT TO EXCEED	\$	0

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Lowdermilk Church & Co., L.L.P.	
Authorized Firm Representative (typed or printed)* Phillip E. Church	Signature* 
Date*	Email Address* phil.church@lowdermilkchurchcpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Fletcher, North Carolina	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Preston Blakely	Signature*
Date	Email Address* p.blakely@fletchernc.org

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 19,100
Primary Governmental Unit Finance Officer* (typed or printed) Heather Taylor	Signature*
Date of Preaudit Certificate*	Email Address* htaylor@fletchernc.org

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
n/a	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$ 0
DPCU Finance Officer (typed or printed)*	Signature*
Date of Preaudit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 North Sterling Street
Morganton, North Carolina 28655
Phone: (828) 433-1226
Fax: (828) 433-1230

February 10, 2026

To Honorable Mayor and Members
of the Town Council of the
Town of Fletcher
Fletcher, North Carolin

We are pleased to confirm our understanding of the services we are to provide the Town of Fletcher, North Carolina for the year ended June 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town of Fletcher, North Carolina as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Fletcher, North Carolina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Fletcher, North Carolina's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Information.
- 3) Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll.
- 4) Local Government Employees' Retirement System Schedule of the Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.
- 5) Schedule of Changes in Total OPEB Liability and Related Ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Fletcher, North Carolina's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining and Individual Fund Financial Statements.
- 2) Budgetary Schedules.
- 3) Other Schedules.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Town of Fletcher, North Carolina and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

Improper revenue recognition.

Management override of controls.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Fletcher, North Carolina's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the

12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of the Town of Fletcher, North Carolina in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services

in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Lowdermilk Church & Co., L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Lowdermilk Church & Co., L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Philip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that Lowdermilk Church & Co., L.L.P.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$19,100. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that

unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We are required to inform you that we charge interest at a rate of 18% per annum on all invoices over 30 days old.

Reporting

We will issue a written report upon completion of our audit of the Town of Fletcher, North Carolina 's financial statements. Our report will be addressed to the Mayor and members of the Town Council of the Town of Fletcher, North Carolina . Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Fletcher, North Carolina is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2024 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Town of Fletcher, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Phillip E. Church

RESPONSE:

This letter correctly sets forth the understanding of the Town of Fletcher, North Carolina.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



Report on the Firm's System of Quality Control

February 5, 2025

To the partners of Lowdermilk Church & Co., L.L.P. and
the Peer Review Committee of the Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. (the firm) in effect for the year ended May 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608
Greensboro, NC 27419

P: 336-294-4494 • F: 336-294-4495

brc.cpa

Lowdermilk Church & Co., L.L.P.
and the Peer Review Committee of the
Coastal Peer Review, Inc.
February 5, 2025
Page 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. in effect for the year ended May 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Lowdermilk Church & Co., L.L.P. has received a peer review rating of pass.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

Memorandum

To: Mayor & Town Council
CC: Mark Biberdorf, Town Manager
From: Heather N. Taylor, Assistant Town Manager
Date: 02/26/2026
Re: Hurricane Helene Park Repairs- Project Summary

Following Hurricane Helene, the Town completed extensive repairs throughout the park to restore damaged facilities, infrastructure, and amenities. Below is a summary of the total project costs and funding sources.

Total Project Expenses: \$1,103,905.70

Expense Breakdown:

- Concession/Restroom Building Repairs: \$43,306.86
 - Ballfield Repairs: \$33,000.00
 - Fencing & Multi-Court Repairs: \$291,514.80
 - Electrical Repairs Throughout Entire Park: \$162,479.00
 - Entrance Sign Replacement: \$27,560.00
 - Miscellaneous Repairs/Replacements (trash cans, gravel, signage, water fountains, etc.): \$57,141.68
 - Greenway Bridge & Streambank Repairs: \$353,391.20
 - Engineering Assistance (electrical, fencing/multicourt project, greenway bridge, and streambank repairs): \$135,512.16
-

Total Project Revenues: \$1,103,905.70

Funding Sources:

- FEMA Reimbursements: \$902,523.38
- Insurance Proceeds: \$101,382.32
- Donation/Transfer from General Fund: \$100,000.00

FEMA Status Update

The Town's final FEMA reimbursement, in the amount of \$306,106.32, has been obligated within the FEMA grants portal. Based on previous experience, there is typically a short delay of a few months between the obligation and the actual receipt of funds, so the Town anticipates receiving the reimbursement in the coming months.

Through a combination of FEMA reimbursements, insurance proceeds, and local funding support, the Town has successfully completed over \$1.1 million in hurricane-related park repairs. These improvements have restored park functionality, enhanced safety, and returned critical recreational amenities to the community.

MEMORANDUM



TO:

FROM:

COPY TO:

DATE:

SUBJECT: Discussion and update on potential annexation of property for an additional ABC Store.

Background:

Recommendation:

Attachments:

None

MEMORANDUM

TO: Mayor & Council

FROM: Mark Biberdorf, Town Manager

COPY TO: Heather Taylor, Assistant Town Manager

DATE: 2/23/2026

SUBJECT: Recommendations for Surplus Unassigned Fund Balance - Mark Biberdorf, Town Manager



Background:

Attached for Council's review is a memo detailing the excess unassigned fund balance for Fiscal Year 2024-2025. This memo also discusses the Town's fund balance policy and the provisions for expending reserves that are above the maximum range.

Recommendation:

It is recommended that Council take action to approve one of the options for spending down fund balance reserves.

Attachments:

1. Recommendations for Surplus Unassigned Fund Balance
2. Fund Balance policy.executed copy

MEMORANDUM

TO: Mayor and Town Council

FROM: Mark E. Biberdorf, Town Manager *M.E.B.*

COPY TO: Heather Taylor, Assistant Town Manager

DATE: February 23, 2026

SUBJECT: Recommendations for Surplus Unassigned Fund Balance

Fund Balance Policy

Several years ago, the Town established a fund balance policy. The purpose of this policy is to determine what is the appropriate amount of reserves or fund balance to maintain for cash flow purposes and unforeseen events such as a major storm. The Town's policy states that we shall maintain an unassigned fund balance between 45% and 65% as a percentage of general fund expenditure. A full copy of the Town's fund balance policy is attached for Council's reference.

An important part of implementing the Town's fund balance policy is taking appropriate steps to keep reserves within the designated range of 45% - 65%. At the conclusion of the most recent audit, our unassigned fund balance was determined to be 75.37% or \$6,855,709. Once the fund balance exceeds 65% Council is supposed to identify eligible steps to move it back within the allowed range. Examples of actions that Council can take to lower the fund balance are the following:

1. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs, or
2. Start-up expenditures for new programs, provided that such action is approved by the Town Council and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Town Manager and Finance Director, or
3. Appropriated to lower the amount of outstanding principal on existing debt, or
4. Lowering the property tax rate.

Recommendations for Excess Fund Balance

With fund balance reserves reaching 75.37% as a percentage of general fund expenditure, the Town would need to spend over \$943,000 to get the fund balance down to 65%. Also, this is the upper range of the policy so the Town could spend additional funds and still retain a comfortable number of reserves.

Some different options for spending down these excess reserves would be the following:

- **Sewer Project on Westfield Road, North Hudson Lane, and Dogwood Terrace** – This was a project that was previously submitted for funding through a State Revolving Funds application with the Department of Environmental Quality (DEQ). Total estimated cost for this project is \$1.4 million.
- **Greenway Extension** – Funding could be used to construct another section of the Cane Creek Greenway along the Town of Fletcher property, or possibly the Cummins (Meritor) property.
- **Pay Down Principal on Existing Debt** – The Town currently has two USDA Community Facility Loans for the Town Hall project. The Town also has an installment purchase loan on the purchase of the Town Center property along Highway 25.

I will be prepared to discuss these options in greater detail with you at the Council meeting. If you should have any questions prior to the meeting, please do not hesitate to let me know.

MEB/meb

Attachment

TOWN OF FLETCHER FUND BALANCE POLICY

PURPOSE

The Town desires to maintain a prudent level of financial reserves to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures.

The primary reasons for a general fund reserve policy are to:

- **Plan for contingencies.** Because of volatile revenue sources such as property and sales tax, governments will always face challenges when it comes to matching planned revenues with actual expenditures. Local events, such as the closure of a major employer, can also negatively affect revenue. Finally, extreme weather events such as winter storms or hurricanes can increase operating and/or capital costs. Reserves can be used to make up these temporary shortfalls.
- **Maintain good standing with rating agencies.** Bond rating agencies consider an adequate level of reserves a sign of creditworthiness because it enhances a government's ability to repay debt on time and in full.
- **Avoid interest expenses.** Cash reserves may be used rather than debt to fund capital projects.
- **Generate investment income.** Reserves can be a source for investment revenue, effectively reducing the burden on the property tax rate. To maintain the reserve's value as a risk mitigation device, investments will remain relatively liquid.
- **Serve as cash flow management tool.** Reserves can be used to cover times of the year that normally experience low levels of cash.
- **Create a shared understanding.** A formal reserve policy clearly outlines appropriate use of the reserves.

COMPONENTS OF FUND BALANCE

Fund Balance vs. Reserves – “Fund balance” is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term “reserves” is often used by public finance practitioners, but is not an actual government accounting term. It refers to the portion of fund balance held in reserve to provide a buffer against financial distress or risk.

In governmental funds, “reserves” comprise a portion of total fund balance. Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* governs the descriptions used to report fund balance. The statement focuses on the “extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent” and breaks total fund balance into (5) different components:

- **Non-spendable fund balance.** Fund balance in this category is inherently non-spendable.

- **Restricted fund balance.** This category has externally enforceable limitations on the use of fund balance, imposed by parties such as creditors, grantors, or laws or regulations of other governments.
- **Committed fund balance.** This encompasses limitations imposed by the government on itself at its highest level of decision making (e.g., governing board through a resolution). For example, the governing board might like to commit a portion of fund balance to a “stabilization fund” to provide a cushion against unknown economic downturns and revenue declines.
- **Assigned fund balance.** This category is for the portion of fund balance that is earmarked for an intended use. The intent is established at either the highest level of decision making or by a body or an official designated for that purpose. For example, a portion of fund balance might be assigned to offset a gap in the budget stemming from a decline in revenues or a portion could be assigned to pay for an upcoming special project. A typical assigned fund balance item is the amount of fund balance that is appropriated in the subsequent year’s budget ordinance that is not already classified as restricted or committed.
- **Unassigned fund balance.** This encompasses all fund balances that are left after considering the other four categories. Use is least constrained in this category of fund balance.

The last three components (committed, assigned and unassigned fund balance) together comprise “unrestricted fund balance”, which is the part of fund balance covered by this reserve policy because unrestricted fund balances are either unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes. Conversely, restricted fund balances or non-spendable fund balances are not suited to many of the purposes a reserve policy typically is intended to fulfill.

SIGNIFICANT POLICIES

Required Reserve Levels

The North Carolina State Treasurer recommends a minimum unassigned fund balance in the general fund of eight percent (8%). However, the Town policy is more restrictive by requiring a minimum unassigned general fund balance of forty-five percent (45%) of the total actual expenditures. The minimum requirement will be reviewed by the Finance Director as changes in economic conditions occur, new legislation is enacted or revenue sources change.

Reserve Draw Downs

Fund balance appropriated will not exceed an amount management can reasonably expect to save during the year. If fund balance is appropriated to balance the following year’s budget in an amount that, if spent, would reduce the percentage below forty-five percent (45%) an explanation of the circumstances of the utilization and a plan to save or replenish the fund balance will be included in the budget message and audit?

The unassigned fund balance may be purposefully drawn down below the minimum required percentage of forty-five (45%) for emergencies.

Excess Reserves

Unassigned fund balance percentages in excess of sixty-five percent (65%), calculated at the previous fiscal year-end, may be drawn down for nonrecurring expenditures as follows:


1. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs, or
2. Start-up expenditures for new programs, provided that such action is approved by the Town Council and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Town Manager and Finance Director, or
3. Appropriated to lower the amount of outstanding principal on existing debt, or
4. Lowering the property tax rate.

Reserve Replenishment

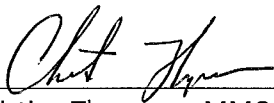
If the fund balance falls below the minimum required percentage of 45% for two consecutive fiscal years, the Town will replenish funds by direct appropriation beginning in the following year. In that instance, the Town will annually appropriate 25% of the difference between the minimum required percentage level and the actual balance until the minimum required level is met. In the event appropriating 25% is not feasible, the Town will appropriate a lesser amount and shall reaffirm its commitment to fully replenish the fund balance over a longer period of time.

This policy will be reviewed at least annually and updated on an as-needed basis.

Adopted this 9 day of October, 2017



William B. Moore, Mayor
Town of Fletcher



Christine Thompson MMC, NCCMC
Town Clerk

MEMORANDUM

TO: Mayor and Town Council

FROM: Tyler Morrow, Planning & Zoning Director

COPY TO: Mark Biberdorf, Town Manager

DATE: 3/2/2026

SUBJECT: Discussion — Regulatory Considerations for Data Centers within the Town's Zoning Jurisdiction — Tyler Morrow, Planning and Zoning Director



Background:

At the request of the Town Manager, the Planning and Zoning Director has prepared background information for Town Council regarding data centers and their current regulatory status within the Town of Fletcher.

The attached staff report outlines what data centers are, how they are presently addressed under the Town's ordinances, and where such facilities would most likely be located if permitted. It also summarizes the General Statute requirements for adopting a temporary development moratorium should Council wish to consider that option in the future.

Data centers have become a regional topic of discussion, particularly following the Town of Canton's adoption of a data center moratorium at its February 11 special called meeting.

Recommendation:

Attachments:

1. Staff Report-Data Center Discussion

TOWN OF FLETCHER

PRESTON BLAKELY
MAYOR

MARK E. BIBERDORF
TOWN MANAGER



COUNCIL MEMBERS:
TREVOR LANCE
JIM PLAYER
KEITH REED
AMBER MCKINNEY

Data Center Discussion Town Council March 9th 2026

Planning Department Staff Report Tyler Morrow, Planning and Zoning Director

What are Data Centers?	2
Current Regulations for Similar Uses	3
Where would the Data Centers Likely be Built?.....	4
Process for a Moratorium	5

What are Data Centers?

Data centers are the physical facilities that house the infrastructure of the internet. At their core, they are networked computer systems designed for data storage and processing, supported by equipment such as battery systems, backup generators, and cooling technology.

Industry analysts expect continued growth in data center construction, including both large “hyperscale” facilities and smaller “edge” centers distributed closer to users. Developers are drawn to sites with low latency, reliable and affordable electricity, and access to fiber infrastructure.

While data centers have traditionally clustered near major internet hubs and employment centers, the rise of cloud computing is driving expansion into smaller metropolitan and rural areas. Large technology firms often seek sites for expansive, single-story buildings, while colocation operators may pursue infill locations or existing structures with strong connectivity.

Because data centers consume significant electricity and require cooling, developers prefer areas with lower power costs, cooler climates, and reduced natural hazard risk.

From the outside, data centers often resemble typical commercial or light industrial buildings. However, their operational characteristics are usually very different from surrounding land uses. From a planning standpoint, the most significant distinctions involve their high electricity and water consumption, potential noise generation, heightened safety and security requirements, and relatively low employment densities.

In 2020, data centers consumed roughly 200 to 250 terawatt hours of electricity, about one percent of global demand. While efficiency gains have historically offset rising usage, growing demand from streaming, gaming, cloud computing, AI, and connected devices is expected to drive higher energy consumption. This figure does not include cryptocurrency mining, which alone used an estimated 60 to 70 terawatt hours in 2020, comparable to the annual electricity use of a mid-sized country.

Both data centers and cryptocurrency mining facilities generate significant waste heat and require substantial cooling, often relying on water. A medium sized data center can use more water annually than two 18-hole golf courses.

These facilities can also produce noise, particularly from rooftop or ground mounted cooling equipment, which may impact nearby properties, especially residential areas.

Because they operate continuously and house valuable equipment and sensitive data, data centers typically include enhanced security features such as fencing, gated access, and lighting.

Source- APA’s Zoning Practice June 2022 Issue “Zoning for Data Centers and Cryptocurrency Mining” By David Morley, AICP

Current Regulations for Similar Uses

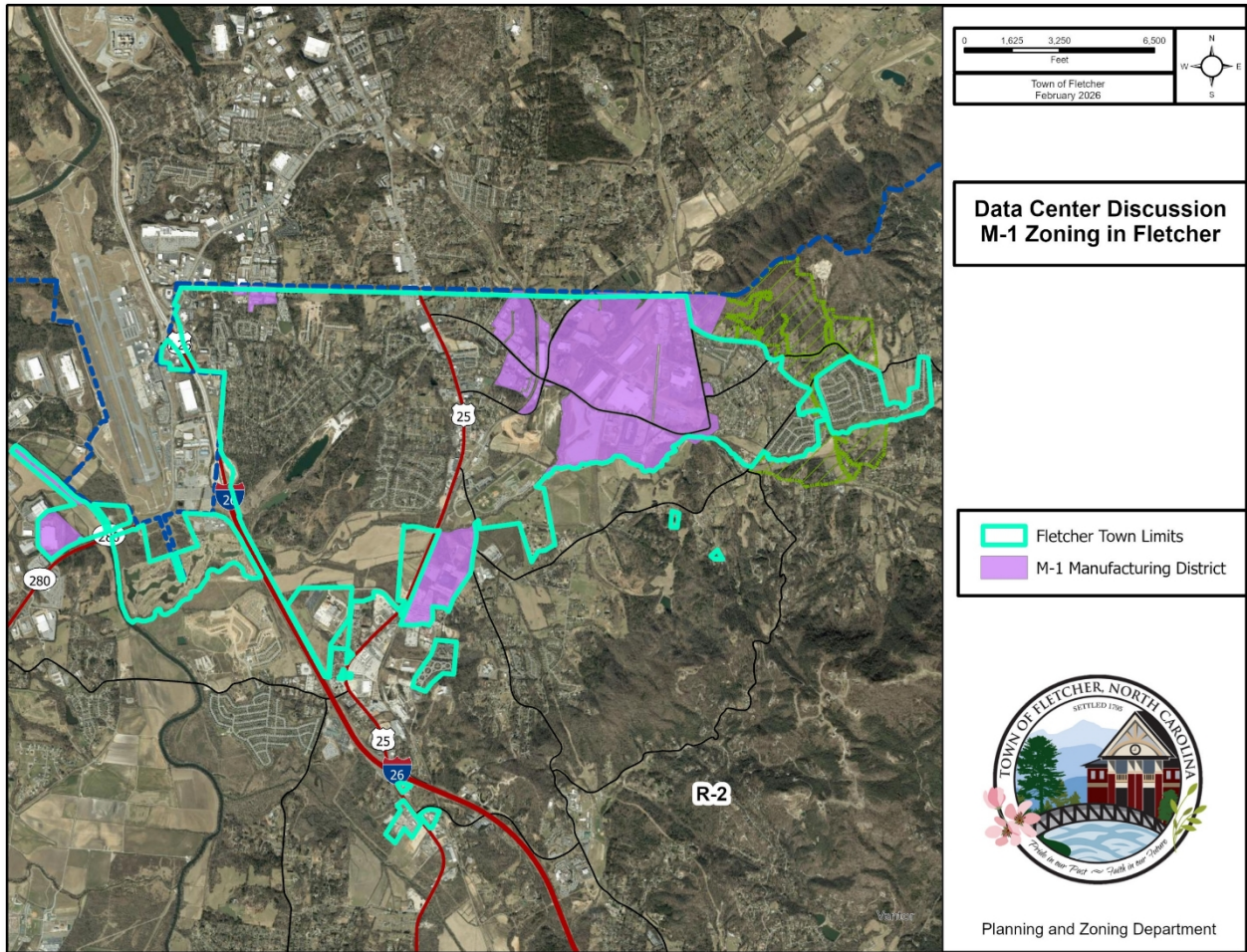
In 2023, Council added “Cryptocurrency Mining Operations” as a use listed in the Use Matrix. Cryptocurrency Mining Operations are not currently permitted in any zoning district within the Town. They are defined as “The operation of specialized computer equipment for the purpose of mining one or more blockchain-based cryptocurrencies, such as Bitcoin. This activity, which is also termed “proof of work,” involves the solving of algorithms as part of the development and maintenance of a blockchain which is a type of distributed ledger maintained on a peer- to-peer network. Typical physical characteristics of cryptocurrency mining include specialized computer hardware for mining operations as well as equipment to cool the hardware and operating space. For the purposes of the associated regulations, cryptocurrency mining includes the commercial “creation” (“mining”) of virtual currency not recognized as legal tender of the U.S., but does not include the exchange of cryptocurrency, the use, creation, or maintenance of all types of peer-to-peer distributed ledgers. This definition does not include use of one or not more than five computers from which cryptocurrency is mined in an enclosed structure, provided the cryptocurrency is not mined for commercial purposes.”

As you will see, the current definition of Cryptocurrency Mining Operations is silent on overall data centers. While some data centers may include a cryptocurrency component, not all data centers involve cryptocurrency. Data centers can encompass a wide range of technological functions, such as hosting websites, providing cloud services, and supporting AI infrastructure. For these reasons, it would be my interpretation that our current definition and prohibition of Cryptocurrency Mining Operations does not extend to all data centers.

The ordinance does state, however, that “Any use not listed in the Use Matrix is prohibited unless the Administrator determines that it falls within the same class as a listed use as set forth.” Since data centers are not explicitly listed as a permitted use, it could be argued that they are already prohibited. However, without a clear definition or supplementary standards, an attorney could contend that a data center falls within an existing permitted industrial use category. In short, if the Town wishes to specifically regulate data centers, my recommendation would be to add them as a defined use and clearly indicate where they are permitted or prohibited. This would also allow the Town to adopt supplementary standards tailored to this use, ensuring it can be regulated in a manner consistent with the Town’s goals and priorities.

The ordinance further states “Uses not listed as a permitted (P), permitted with additional standards (PS) or requiring a special use permit (SUP) are presumed to be prohibited from the applicable zoning district. In the event that a particular use is not listed in the Use Matrix, and such use is not listed as a prohibited use and is not otherwise prohibited by law, the Administrator shall determine whether a materially similar use exists in this Chapter. Should the Administrator determine that a materially similar use does exist, the regulations governing that use shall apply to the particular use not listed and the Administrator’s decision shall be recorded in writing. Should the Administrator determine that a materially similar use does not exist, this Chapter may be amended to establish specific listing for the use in question.”

Where would the Data Centers Likely be Built?



Based on the information outlined above regarding the size and configuration typically required for data centers, it is reasonable to conclude that such a facility in the Town of Fletcher would most likely be located within the M-1 Manufacturing District. Properties within this district are generally larger in scale and capable of accommodating the square footage and building design commonly associated with data center development.

All the areas within the Town that currently hold this designation are shown in the above map in purple. The existing town limits are shown in Cyan.

If Council decides that data centers should be allowed in more areas, then the map can be adjusted accordingly. As mentioned previously Cryptocurrency Mining Operations are not currently permitted anywhere within Town limits, not even within the M-1 district which allows the most intensive of uses.

Process for a Moratorium

Towns have the authority to adopt a temporary moratorium on development approvals in order to provide time to prepare and adopt new plans or regulatory standards. Pursuant to G.S. 160D-107, North Carolina local governments “may adopt temporary moratoria on any development approval required by law.”

G.S. 160D-107(d) requires the local government to be clear about why the moratorium is necessary as well as when and how the issues will be resolved. At the time of adopting a development moratorium the regulation must include the following details:

- (1) A statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the local government and why those alternative courses of action were not deemed adequate.
- (2) A statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.
- (3) A date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.
- (4) A statement of the actions, and the schedule for those actions, proposed to be taken by the local government during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium.

A moratorium must be limited to a reasonable duration tied directly to the time necessary to address the issue that prompted it. Under G.S. 160D-107(a), the length may not exceed the period required to correct, modify, or resolve those conditions. An extension is permitted only if the local government has taken all reasonable and feasible steps outlined in the original ordinance and if new facts or conditions justify the continuation. Any extension ordinance must include the same findings required by G.S. 160D-107(d), including a statement of the new facts or conditions warranting the extension.

For a moratorium of 60 days or less, the governing board must hold a legislative hearing and provide at least seven days’ public notice prior to the hearing. For any moratorium exceeding 60 days, the local government must comply with the standard notice and hearing requirements in G.S. 160D-601, including published notice of the legislative hearing on two separate occasions. These same requirements apply to any extension that causes the total duration of the moratorium to exceed 60 days.

An exception exists for situations involving an imminent and substantial threat to public health or safety, in which case a moratorium may be adopted without prior notice pursuant to G.S. 160D-107(b).

MEMORANDUM

TO: Mayor & Council

FROM: Mark Biberdorf, Town Manager

COPY TO: Heather Taylor, Assistant Town Manager
Tyler Morrow, Planning & Zoning Director

DATE: 2/24/2026

SUBJECT: Town Center update on meeting with Lewis Real Estate Group - Mark Biberdorf,
Town Manager



Background:

Attached is a memo summarizing the highlights of a recent meeting with Lewis Real Estate Group. This is regarding their renewed interest in the Town Center project. Staff will provide some additional background on this item at the meeting.

Recommendation:


This item is informational only.

Attachments:

1. Town Center Update. Meeting with Lewis Real Estate Group

MEMORANDUM

TO: Mayor and Town Council

FROM: Mark E. Biberdorf, Town Manager 

COPY TO: Heather Taylor, Assistant Town Manager
Tyler Morrow, Planning & Zoning Director

DATE: February 24, 2026

SUBJECT: Town Center Update - Meeting with Lewis Real Estate Group

Our Planning and Zoning Director and I met with Martin Lewis with Lewis Real Estate Group and Will Buie from WGLA Engineering on February 16. The purpose of this meeting was to discuss their renewed interest in the Town Center project. Some highlights of our discussions were the following:

- **Determining the Town's Willingness to Help with DOT** – One of the stumbling blocks from before was the level of improvements and restrictions that DOT placed on the development. Tyler and I agreed to meet with Tristan Winkler from the MPO and DOT to discuss what if any plans they have for the two intersections near our project (Fanning Bridge and Howard Gap). We are going to report this to Martin and Will. More importantly, we want to be more actively engaged with DOT throughout the process rather than just at the point of driveway permit requests. This should help with whatever is ultimately built.
- **The Town's Thoughts on the Development Analysis that McGill Performed** – This was the work that McGill completed last summer that showed different development scenarios considering the environmental limitations of the property. They wanted to make sure there was not anything that we wanted to stay away from or that we were particularly interested in doing. I shared that Council was comfortable with the different scenarios presented by McGill.
- **Start Discussing the Structure of a Letter of Intent** – Once they have a better idea on what if anything that DOT has planned for the intersections, we would like to work on the structure of a letter of intent (LOI). The LOI commits the Town and Lewis Real Estate to work together through a review period. Lewis Real Estate would then do their own masterplan of the property per the Town's vision. This would help them in pitching development ideas to investors.

I will be prepared to discuss these issues in greater detail with you at the Council meeting. If you should have any questions prior to the meeting, please do not hesitate to let me know.

MEB/meb

Fletcher Parks and Recreation Department

Monthly Report – February 2026

Programs & Events

Father/Daughter Dance

Our Father/Daughter Dance on February 7th was a huge success! We hosted the event at our new location, FernLeaf Community School, which provided a wonderful setting for the evening. The DJ kept the energy high and the dance floor full all night, and the food was excellent. It was a special night filled with smiles, laughter, and lasting memories for everyone who attended.

Winter Yoga

We have two weeks remaining in our 8-week Winter Yoga session. Participants are finishing strong and continuing to build on the progress they've made throughout the program. It's been great to see consistency and growth as the session wraps up.

Facilities & Maintenance

Bill Moore Community Park & Kate's Park

Our maintenance team continues their daily efforts to ensure both parks remain clean, safe, and welcoming for visitors.

Throughout the winter months, Aaron and the maintenance team have focused on improvement projects to enhance the overall park experience.

February Maintenance Projects Completed:

- Removed old rope from park driveway and installed new rope
- Installed pickleball windscreen
- Fertilized ballfields
- Cleaned drainage ditch at Kate's Park
- Conducted playground inspections at both parks
- Repaired dog park entrance gate

- Added new gravel to each disc golf tee box
- Added gravel to the backside of the dugouts
- Tilled garden areas in preparation for new flower beds this spring
- Bush hogged along wooded areas and near the small pond
- Completed routine ballfield maintenance
- Cleaned all dugouts
- Shoveled snow from sidewalks
- Removed limbs and sticks following the windstorm
- Cleaned out lost and found

**Public Works Department
Monthly Report
February 2026**

Brush Pick Up

Public Works collected 268 brush orders which produced 528 Cyds of brush. Brush has been higher this month due to the snow and ice storms creating damage.

Vehicles

Maintenance was performed on police cars, Public Works Vehicles and P&R vehicles.

Sanitation

Sanitation records are unavailable currently, but garbage has been heavier than usual.

Streets

Public Works pushed and spread salt for the snow event at the end of January.

Administration Monthly Report

Heather Taylor, Assistant Town Manager

February 2026

Assistant Town Manager:

Hurricane Helene/FEMA Park Recovery

- The Town's final reimbursement request has been "obligated" in the FEMA Grants Portal, this is the last step before receiving funds.
- Heather will present a project overview at the March Council meeting.

Website/Facebook

- Continued updating the Town's website to ensure current and accurate information.
- Posted regularly to the Town's Facebook page (several posts per week) to keep residents informed.

Purchasing for FY 25/26

- Assisted Parks and Recreation with spring preparation purchases for ballfields and playgrounds, including turf and mulch

Finance:

2025 Property Taxes- As of February 25, over 98% of the 2025 tax levy has been collected. Susan presented the mid-year tax collection report at the February Council meeting, and second notices were mailed during the month of February.

Business Registration Revenue- There is currently only one outstanding receivable account remaining.

Budget 26/27- Department Heads have submitted their FY 26/27 budget requests, and Heather and Mark are currently reviewing the submissions. A comprehensive budget folder will be prepared and distributed prior to the March pre-budget workshop.

GASB 103- Attended a webinar regarding the implementation of GASB 103, which will take effect with the FY 25/26 financial statements.

Fire Department AUP/audit- All required documentation was gathered and submitted for the prior-year review of tax payments to Fletcher Fire and Mills River for the auditors. A budget amendment has also been prepared for the March agenda to address the identified underpayments.

Human Resource:

Employment

- Accounting and Customer Service Specialist - Mishele Calvillo began employment on February 16 and has quickly become a valuable asset to the Administration Department.
- Posted and advertised seasonal positions for an Afternoon Park Ranger and Summer Day Camp Counselors.

Wellness

- Employees logged over 40 hours in the Town gym during February.
- Blood pressure screenings were offered in February, with six employees participating in the free screening.

TOWN OF FLETCHER

PRESTON BLAKELY
MAYOR

MARK E. BIBERDORF
TOWN MANAGER



COUNCIL MEMBERS:
TREVOR LANCE
JIM PLAYER
KEITH REED
AMBER MCKINNEY

Planning & Zoning Department Monthly Update- February 2026

- ❖ The Planning Board did not meet during the month of February due to having no agenda items.
- ❖ Tyler successfully passed the certification exam to become a Certified Municipal Stormwater Inspector. MS4 permits require that all stormwater inspections be conducted by qualified personnel. This certification confirms that inspections are being performed by a professional who has met established standards of knowledge, experience, and competency in the field of stormwater management. The National Stormwater Center's CSI-MS4 program has supported more than 14,000 municipal inspectors nationwide.
- ❖ Staff continued routine day-to-day operations, including the issuance of permits, responding to development inquiries, and addressing zoning, solid waste, and junked vehicle complaints.
- ❖ Tyler and Mark met with Martin Lewis and Will Buie to reengage discussions regarding Town Center development and overall vision. The meeting was productive and helped realign priorities while identifying potential paths forward to advance the Town Center initiative.
- ❖ Tyler finalized the ArcGIS StoryMap highlighting the history and vision of both the Town Center Project and the broader Heart of Fletcher initiative. The StoryMap is intended to serve as a recruitment and marketing tool to attract development partners who share the Town's vision and goals for the Town Center. The completed StoryMap can be accessed here: <https://arcg.is/OnHzCu0>
- ❖ Tyler and Chris Brown of McGill met with Isaiah Reed, MS4 Program Coordinator for the State of North Carolina. During this meeting, the State confirmed that the Town's updated draft Stormwater Management Plan and permit renewal remain due in June, with no extension to December 2026. Planning staff and McGill will be working over the coming months to update the plan and submit it for State review.

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